

Farm Production Expenditures, 2005

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U.S. Farm Production Expenditures ¹ totaled \$223.1 billion in 2005, up 5.3 percent from the revised 2004 total of \$211.8 billion. The largest contributors to the increase were Fuels up 26.3 percent; Taxes up 14.3 percent ¹⁵; Fertilizer, Lime, and Soil Conditioners up 12.3 percent; Livestock and Poultry Purchases up 11.5 percent; Farm Services 5 up 9.7 percent; and Interest up 9.0 percent.

The rise in fuel expenditures was expected given the 2005 rise in crude oil prices and increased global demand for oil. Hurricane damage had a large influence on fuel prices and supply this year. Higher crude oil prices pressured the cost of fuel, fertilizer, chemicals, and transportation. Other upward influences on farm expenditures were biotech seed costs, increased broiler chick price, alfalfa winterkill in the upper Midwest requiring greater forage purchases, higher prices for dairy replacement females, and repairs caused by storm damage in the South and Plains.

In 2005, the average U.S. Total Farm Expenditure was \$106,499 compared with \$100,498 as revised for 2004. On average, U.S. farm operations spent: \$14,034 on Farm Services, \$13,462 on Feed,

\$10,216 on Livestock and Poultry Purchases, \$11,361 on Labor, and \$8,163 on Rent. Revised estimates for 2004 indicate U.S. farms spent an average of: \$12,716 on Farm Services, \$14,093 on Feed, \$9,110 on Livestock and Poultry Purchases; \$11,056 on Labor, and \$7,877 on Rent. Average Total Expenditures for large farms (\$1 million and over in sales) was \$2.37 million, 3.6 times larger than the next largest economic class.

Review of the Total Expenditures by farm production region reveals that all regions except the Atlantic were up in 2005. Fertilizer, Taxes and Fuels were higher than 2004 at the U.S., Region, and State levels.

The Atlantic Region (CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV) contributed \$29.8 billion or 13.4 percent of the 2005 U.S. total for farm production expenditures. The total expenditures for the five regions were: the Midwest (IL, IN, IA, MI, MN, MO, OH, WI) at \$63.6 billion; West (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY) at \$54.6 billion; Plains (KS, NE, ND, OK, SD, TX) at \$49.5 billion; Atlantic at \$29.8 billion; and South (AL, AR, FL, GA, LA, MS, SC) at \$25.6 billion.

Farm Production Expenditures: Major Input Items, Average per Farm and Total, Atlantic Region ¹⁴ & U.S. ¹, 2004-2005

Expenditure - Farm Share	Farms Reporting ¹²		Average per Farm ¹³		Total Expenditures	
	2004	2005	2004	2005	2004	2005
	Percent		Dollars		Million Dollars	
Atlantic ¹⁴						
Total Farm Production Expenditures ^{2,3}	100.0	100.0	72,912	69,045	31,870	29,810
Livestock, Poultry & Related Expenses ⁴	28.9	29.0	5,971	5,976	2,610	2,580
Feed	68.3	66.6	13,818	12,137	6,040	5,240
Farm Services ⁵	97.5	94.8	8,602	8,361	3,760	3,610
Rent ⁶	23.3	22.1	2,379	2,386	1,040	1,030
Agricultural Chemicals ⁷	46.3	41.8	1,945	1,899	850	820
Fertilizer, Lime & Soil Conditioners ⁷	59.9	54.9	2,722	2,988	1,190	1,290
Interest	36.4	36.5	2,517	2,525	1,100	1,090
Taxes (Real Estate & Property)	99.5	100.0	2,288	2,803	1,000	1,210
Labor	35.6	33.2	8,259	7,435	3,610	3,210
Fuels	91.4	84.9	2,677	3,080	1,170	1,330
Farm Supplies & Repairs ⁸	88.8	87.3	4,919	4,447	2,150	1,920
Farm Improvements & Construction ^{9,10}	63.1	60.1	6,566	6,277	2,870	2,710
Tractors & Self-Propelled Farm Machinery	17.3	14.9	3,432	2,501	1,500	1,080
Other Farm Machinery	23.9	26.2	1,624	1,459	710	630
Seeds & Plants ¹¹	47.4	42.2	2,814	2,710	1,230	1,170
Trucks & Autos	18.3	19.3	1,990	1,714	870	740
United States ¹						
Total Farm Production Expenditures ^{2,3}	100.0	100.0	100,498	106,499	211,800	223,100
Livestock, Poultry & Related Expenses ⁴	26.5	26.6	9,110	10,216	19,200	21,400
Feed	62.2	60.9	14,093	13,462	29,700	28,200
Farm Services ⁵	95.6	94.7	12,716	14,034	26,800	29,400
Rent ⁶	31.5	31.9	7,877	8,163	16,600	17,100
Agricultural Chemicals ⁷	48.8	48.0	4,081	4,249	8,600	8,900
Fertilizer, Lime & Soil Conditioners ⁷	57.8	53.5	5,409	6,110	11,400	12,800
Interest	39.7	40.8	4,223	4,630	8,900	9,700
Taxes (Real Estate & Property)	98.8	99.7	3,321	3,819	7,000	8,000
Labor	34.6	34.8	11,056	11,361	23,300	23,800
Fuels	85.6	83.3	3,796	4,821	8,000	10,100
Farm Supplies & Repairs ⁸	84.8	83.7	5,504	5,967	11,600	12,500
Farm Improvements & Construction ^{9,10}	59.5	57.3	5,979	6,110	12,600	12,800
Tractors & Self-Propelled Farm Machinery	23.3	24.9	4,128	4,058	8,700	8,500
Other Farm Machinery	28.2	29.2	2,040	1,957	4,300	4,100
Seeds & Plants ¹¹	45.7	42.5	4,555	4,965	9,600	10,400
Trucks & Autos	24.2	25.2	2,278	2,244	4,800	4,700

¹ Excludes AK and HI. ² Total includes miscellaneous production expenses not allocated to any of the 16 expense categories published. Therefore, the sum of individual expenditure items will not add to totals. ³ Includes landlord and contractor share of farm production expenses. ⁴ Includes purchases and leasing of livestock and poultry. ⁵ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. ⁶ Includes public and private grazing fees. ⁷ Includes material and application costs. ⁸ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. ⁹ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. ¹⁰ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2003. ¹¹ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. ¹² Number of farms reporting item divided by total number of farms. ¹³ Total expenditures divided by total number of farms. ¹⁴ Atlantic Region consists of CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV. ¹⁵ Landlord taxes were imputed at a higher rate starting in 2005.